

Message Text

LIMITED OFFICIAL USE

PAGE 01 BERN 04280 141357Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03 LAB-01

SIL-01 JUSE-00 FTC-01 L-02 H-01 OIC-02 EA-06 IO-10

NEA-06 SWF-01 /091 W

----- 105864

R 141019Z NOV 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC 9837

INFO AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY TOKYO

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY CANBERRA

USMISSION EC BRUSSELS

USMISSION OECD PARIS UNN

LIMITED OFFICIAL USE BERN 4280

E.O. 11652: N/A

TAGS: EFIN, OECD, SZ

SUBJECT: INVESTMENT/MNE EXERCISE AND GENERAL ARRANGEMENTS FOR
NOVEMBER 25-26 MEETING OF EXECUTIVE COMMITTEE IN SPECIAL
SESSION (XCSS)

REF: A) STATE 244178; B) BERN 4222

1. SUMMARY. SWISS HAVE PROVIDED PRELIMINARY THINKING RE
INVESTMENT DISCUSSION AT NEXT XCSS MEETING INDICATING THEY
CONTINUE FAVOR EFFORT SECURE MORE LIBERAL TREATMENT INTER-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BERN 04280 141357Z

NATIONAL INVESTMENT BUT ARE INCREASINGLY CAUTIOUS ABOUT

WHAT COULD AND SHOULD BE ACCOMPLISHED WITHIN OECD IN NEAR TERM. FOLLOWING VIEWS MAY BE REFINED FURTHER PRIOR NOVEMBER 25-26 MEETING. END SUMMARY.

2. AS NOTED REFTTEL B, EMBASSY BROUGHT SUBSTANCE REFTTEL A TO ATTENTION XCSS CHAIRMAN JOLLES AND OTHER SENIOR OFFICIALS CONCERNED PREPARATIONS FOR NEXT XCSS MEETING. JOLLES, LANGUETIN, AND OTHERS HAVE BEEN PREOCCUPIED WITH ENERGY MATTERS OVER LAST FEW DAYS, BUT DIVISION OF COMMERCE OFFICIAL CONCERNED OECD AFFAIRS (LEVY) PROVIDED EMBOFF WITH FOLLOWING VIEWS NOVEMBER 13 WHICH BASED IN LARGE PART ON PRELIMINARY INTER-AGENCY MEETING HELD EARLIER IN WEEK.

3. ON GENERAL ARRANGEMENTS FOR NEXT XCSS MEETING, LEVY SAID JOLLES EXTENDING THROUGH OECD PERMANENT DELEGATIONS INVITATIONS TO HEADS OF DEL OF COUNTRIES LISTED IN PARA 2 REFTTEL A PLUS AUSTRALIA, ITALY, AND SWEDEN TO ATTEND INFORMAL WORKING SESSION AT 1730 SUNDAY NOVEMBER 24 AT SWISS OECD MISSION TO BE FOLLOWED BY DINNER. LEVY SAID THAT JOLLES THOUGHT ALL PERMANENT MEMBERS OECD EXECUTIVE COMMITTEE SHOULD BE INCLUDED AND ALSO WANTED TO BE SURE THAT ALL VARYING POINTS OF VIEW WITHIN OECD REPRESENTED. WHILE JOLLES WOULD NOT PRECLUDE SOME DISCUSSION OF INVESTMENT/MNES AT INFORMAL SUNDAY SESSION, HE PARTICULARLY WANTS TO TALK ABOUT XCSS AGENDA ITEM 2 (INTERNATIONAL ECONOMIC DEVELOPMENTS; COOPERATION ON TRADE AND RELATED ISSUES) AND WHAT XCSS CAN AND SHOULD DO IN THIS AREA.

4. RE PARA 6 REFTTEL A, JOLLES WILL DEFER ANY DECISION BECOME INVOLVED WITH INVESTMENT TOPIC AT LEAST UNTIL SWISS HAVE BETTER IDEA OF POSITIONS OF OTHERS. SWISS OECD DEL HAS BEEN INSTRUCTED CONSULT FURTHER WITH OTHER DELS. HOWEVER, SINCE FINAL DECISIONS ON INVESTMENT UNLIKELY AT NEXT XCSS MEETING, EMBASSY DOUBTS THAT JOLLES WILL WANT TO MAKE BILATERAL APPROACHES IN HIS CAPACITY AS CHAIRMAN.

5. ON GENERAL SUBJECT OECD INVESTMENT WORK, LEVY SAID THAT GOS INCREASINGLY HAS MIXED FEELINGS AND PREPARES FOR XCSS DISCUSSION THIS SUBJECT WITH NO GREAT ENTHUSIASM. SWISS FULLY SUPPORT MOST LIBERAL POSSIBLE TREATMENT OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BERN 04280 141357Z

INTERNATIONAL INVESTMENT, AND RECOGNIZE THAT OECD AND OTHER INTERNATIONAL WORK MAY HELP STAVE OFF DOMESTIC PROTECTIONIST PRESSURES, BUT THEY ALSO FEEL THAT PRESENT CHANGED WORLD SITUATION PRESENTS A DIFFERENT ENVIRONMENT WHICH HAS PERHAPS NOT FULLY BEEN TAKEN INTO ACCOUNT IN XCSS INVESTMENT EXPERTS WORK. SWISS ALSO FEEL ANY OECD INSTRUMENT SHOULD BE MORE THAN SIMPLE DECLARATION AND HAVE SOME BINDING, LEGAL CHARACTER.

6. SWISS HAVE NO PROBLEM WITH ANNEX I TO DOCUMENT CE(74)15 RE INCENTIVES/DISINCENTIVES. THEY FAVOR STRONGEST POSSIBLE LANGUAGE RE NATIONAL TREATMENT, BUT HAVE NOT YET HAD TIME DEVELOP REACTION TO U.S. SUGGESTION OF POSSIBLE COMPROMISE PER PARA 2D REFTEL A.

7. SWISS HAVE NO RPT NO ENTHUSIASM RE OECD WORK ON MNES WITH SOME EXCEPTIONS. THEY FEEL ACTIVITIES RE LDCS PER PARA ET CE(74)15 ARE VERY USEFUL, ESPECIALLY WHEN ECOSOC COMMITTEE IS ESTABLISHED AND COORDINATION AMONG OECD COUNTRIES BECOMES EVEN MORE IMPORTANT. SWISS WOULD NOT OBJECT TO STATISTICAL REPORTING BUT CANNOT SUPPORT SINCE THEY COULD NOT SUPPLY DATA. ON SHORT-TERM CAPITAL MOVEMENTS THEY THINK ANY OECD EFFORT SHOULD BE DEFERRED PENDING EXAMINATION OF EXPERIENCE WITH NEW U.S. TREASURY FOREIGN CURRENCY REPORTING SYSTEM. ON RESTRICTIVE BUSINESS PRACTICES, LEVY SAID SWISS "VERY RELUCTANT" NOTING THAT SWITZERLAND COULD NOT ACCEPT TWO COUNCIL RECOMMENDATIONS ON SUBJECT AND FORCED TO ABSTAIN ON THIRD. ON FISCAL ASPECTS, SWISS WOULD LIKE SEE TRANSFER PRICE GUIDELINES GIVEN HIGHEST PRIORITY, WHILE ON TECHNOLOGY TRANSFER THEY DOUBT THAT OECD STUDY PROGRAM JUSTIFIED TO EXTENT INDUSTRIALIZED COUNTRIES WITH ESSENTIALLY COMPARABLE TECHNOLOGIES ARE INVOLVED. THEY ARE EQUALLY HESITANT RE LABOR POLICY SUGGESTIONS.

8. LEVY SAID THAT GOS ATTITUDE TOWARD NEW SENIOR-LEVEL OECD INVESTMENT COMMITTEE DEPENDS LARGELY ON HOW INTERNATIONAL INVESTMENT AND MNES ARE DISPOSED OF BY XCSS. THEY HAVE SOME DOUBTS RE WHETHER SUCH A NEW ADDITIONAL COMMITTEE IS NECESSARY OR DESIRABLE, ALTHOUGH SWISS (AND CHAIRMAN JOLLES) CERTAINLY DO NOT WANT XCSS TO BECOME DE FACTO OECD INVEST-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BERN 04280 141357Z

MENT COMMITTEE. SWISS WOULD PROBABLY SUPPORT FURTHER STUDY OF WHETHER PERMANENT INVESTMENT COMMITTEE NEEDED BUT WOULD WISH AVOID PRE-JUDGEMENT IN FAVOR SUCH BODY COMING OUT IN XCSS.

9. ACTION REQUESTED. JOLLES WOULD APPRECIATE BEING ADVISED IN ADVANCE AS TO WHO WILL BE U.S. REP AT XCSS MEETING.
DAVIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT PROGRAMS, COMMITTEE MEETINGS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BERN04280
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740328-0950
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741145/aaaablol.tel
Line Count: 163
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 244178; B) BERN 4222
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2002 by izenbei0>; APPROVED <13-Aug-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INVESTMENT/MNE EXERCISE AND GENERAL ARRANGEMENTS FOR NOVEMBER 25-26 MEETING OF EXECUTIVE COMMITTEE IN SPECIAL
TAGS: EFIN, SZ, OECD, XCSS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005